

**ASIAN COMMUNITY
MENTAL HEALTH SERVICES**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2008

05027

CARATHIMAS & ASSOCIATES
Certified Public Accountant

**ASIAN COMMUNITY MENTAL HEALTH SERVICES
AUDIT REPORT
JUNE 30, 2008**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
ASIAN COMMUNITY MENTAL HEALTH SERVICES
310 8th Street, Suite 201
Oakland, CA 94607


I have audited the accompanying financial statements of Asian Community Mental Health Services (a non profit organization) as of and for the year ended June 30, 2008 which collectively comprise the organization's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Asian Community Mental Health Services management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Asian Community Mental Health Services., as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 17, 2008 on consideration of the organization's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of material control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relations to the basic financial statements taken as a whole.


CARATHIMAS & ASSOCIATES,
Certified Public Accountant
December 17, 2008

Asian Community Mental Health Services
Statement of Financial Position
June 30, 2008

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,974,385
Investments	36,971
Grants receivable	1,105,330
Prepaid expenses	108,653
Deposits	23,109
Total Current Assets	<u>\$ 3,248,448</u>

Fixed Assets

Property and equipment, net	367,080
Total Assets	<u>\$ 3,615,528</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 66,586
Accrued liabilities	509,911
Refundable advance	1,163,619
Total Liabilities	<u>\$ 1,740,116</u>

Long-term Liabilities

Deferred revenue - CHFFA & ACCESS	<u>\$ 277,824</u>
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Net Assets

Unrestricted	\$ 1,471,143
Temporarily restricted	126,445
Total Net Assets	<u>\$ 1,597,588</u>

Total Liabilities and Net Assets	<u>\$ 3,615,528</u>
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The accompanying notes to financial statements are an integral part of this statement.

Asian Community Mental Health Services
Statement of Activities
For Year Ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTAL</u>
SUPPORT & REVENUE			
Grants and contracts	\$ 6,535,865	\$ 122,840	\$ 6,658,705
Program fees	22,762		22,762
Fundraising - net	58,248		58,248
Donations	61,432		61,432
Interest and dividends	21,334		21,334
Miscellaneous	55,677	-	55,677
Gain/(loss) on securities	(1,822)		(1,822)
	<u>\$ 6,753,496</u>	<u>\$ 122,840</u>	<u>\$ 6,876,336</u>
Net assets from restrictions	155,700	(155,700)	-
Total Support & Revenue	<u>\$ 6,909,196</u>	<u>\$ (32,860)</u>	<u>\$ 6,876,336</u>
 EXPENSES			
Program Services			
Behavioral Health	\$ 2,178,820		\$ 2,178,820
Developmental Disability Services	932,196		932,196
Family Support Services	857,259		857,259
Youth	1,383,897		1,383,897
Asian Family Resources Center	543,992		543,992
Total Program Services	<u>\$ 5,896,164</u>	<u>\$ -</u>	<u>\$ 5,896,164</u>
 Supporting Services			
Management & General	\$ 611,818		\$ 611,818
Fundraising	93,370		93,370
Total Supporting Services	<u>\$ 705,188</u>	<u>\$ -</u>	<u>\$ 705,188</u>
 Total Expenses	<u>\$ 6,601,352</u>	<u>\$ -</u>	<u>\$ 6,601,352</u>
 Change in Net Assets	\$ 307,844	\$ (32,860)	274,984
 Net Assets at Beginning of Year	<u>1,163,299</u>	<u>159,305</u>	<u>1,322,604</u>
 Net Assets at End of Year	<u><u>\$ 1,471,143</u></u>	<u><u>\$ 126,445</u></u>	<u><u>\$ 1,597,588</u></u>

The accompanying notes to financial statements are an integral part of this statement.

Asian Community Mental Health Services
Statement of Cash Flows
For Year Ended June 30, 2008

Cash Flows from Operating Activities:	
Change in net assets	\$ 274,984
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	106,777
Unrealized loss on investment	1,822
 Change in assets and liabilities:	
Decrease in grants receivable	522,139
Decrease in prepaid expenses, deposits and other assets	20,630
(Decrease) in accounts payable	(82,632)
Increase in accrued liabilities	271,512
Increase in advance payments	16,417
(Decrease) in deferred revenue	(77,072)
Net cash provided by operating activities	<u>\$ 1,054,577</u>
 Cash Flows from Investing Activities:	
Purchase of equipment & leasehold improvements	\$ (19,795)
 Net cash provided by investing activities	<u>\$ (19,795)</u>
 Increase in cash	\$ 1,034,782
 Cash and cash equivalents - Beginning	<u>939,603</u>
 Cash and cash equivalents - Ending	<u><u>\$ 1,974,385</u></u>

The accompanying notes to financial statements are an integral part of this statement.

Asian Community Mental Health Services
Statement of Functional Expenses
For Year Ended June 30, 2008

	Program Services					Supporting Services		Total
	Behavioral Health	Developmental Disability Services	Family Support Services	Youth & AYPAL	Asian Family Resources	Management & General	Fundraising	
Salaries	\$1,515,126	\$ 741,773	\$ 605,630	\$ 723,070	\$ 363,557	\$ 333,407	\$ 45,620	\$ 4,328,183
Fringe benefits	415,067	98,697	167,084	192,398	100,615	44,361	6,070	1,024,292
Consultants	45,837			12,339			29,603	87,779
Subcontracts				323,622				323,622
Rent & utilities	106,975	31,252	30,223	29,334	48,636	19,835		266,255
Insurance	9,795	6,452	5,762	6,900	3,740	4,097		36,746
Communications	2,957	2,028	3,199	717	2,861	21,497		33,259
Equipment leases	4,577	7,428	4,139	2,034	3,757	5,719		27,654
Repair & maintenance	590		100		3,017	8,899		12,606
Office expense & supplies	8,297	3,268	7,954	6,881	4,012	31,727	5,606	67,745
Transportation	4,865	30,006	13,005	6,807	1,823	815	206	57,527
Education/conferences/dues	5,256		2,725	1,814	805	6,656	150	17,406
Program activities	36,714	10,999	15,677	39,524	10,940	9,368	6,115	129,337
Professional service						15,388		15,388
Student stipends	10,000		1,600	36,661				48,261
Staff recruitment	4,599	293	161	1,796	229	8,179		15,257
Depreciation	8,165					98,612		106,777
Other						3,258		3,258
Total	\$2,178,820	\$ 932,196	\$ 857,259	\$ 1,383,897	\$ 543,992	\$ 611,818	\$ 93,370	\$ 6,601,352

The accompanying notes are an integral part of this statement.

**ASIAN COMMUNITY MENTAL HEALTH SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 – ORGANIZAION

Asian Community Mental Health Board, Inc. dba Asian Community Mental Health Services (ACMHS) has since its inception in 1974 been at the forefront of family-centered services that foster self-sufficiency and independence for those most vulnerable and under served in the East Bay community. Through its delivery of high-quality, linguistically and culturally accessible services, it has evolved into a model for community-based organizations.

The following programs and services are provided by ACMHS:

Behavioral Health Care Services – ACMHS is designated by Alameda County as the official intake agency for all Asian language mental health consumers. ACMHS screens, evaluates, and offers appropriate outpatient mental health services to all Asian Pacific residents of Alameda County. Services include 24-hour crisis intervention, comprehensive diagnostic evaluation, pharmacotherapy, short-term behavioral health care intervention, group counseling, and family support groups as well as alcohol and other drug services.

Developmental Disabilities Services – ACMHS provides Asians with developmental disabilities and their families with culturally appropriate services including case management, parent training and support, resource development and advocacy. Direct program services promote normalization and consumer involvement so individuals develop to their fullest potential and include training to enhance socialization and independent living skills.

Family Support Services – ACMHS assists Asian CalWORKS participants with multiple barriers to greater self-sufficiency and ultimate independence from the welfare system as well as other multi-need Asian families. Most families face serious and long-standing challenges in multiple areas of life including employment, housing, mental health, substance abuse, domestic violence, community violence, various medical, educational and behavioral/emotional problems with children.

Programs for at-risk young Asians address youth leadership, cultural awareness as well as issues such as pregnancy prevention, alcohol, tobacco and drug abuse, child abuse prevention, and Head Start consultation. Family Support Services is rooted in a strength-based and empowerment model.

Asian Family Resource Center – ACMHS provides multiple services at its' Contra Costa County location. Services include mental health assessment, counseling, support group, parenting education, domestic violence prevention and intervention, life skills training, alcohol and substance abuse assessment, case management and adult developmental day program.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting recognizing revenues when earned and expenditures when incurred.

B. Cash and Cash Equivalents

For purposes of the statement of cash flows, ACMHS considers all liquid interest-earning investments with a maturity of three months or less at the date of purchase to be cash equivalents.

C. Investments

Investments include shares of stocks and various mutual funds, valued at fair market value. They can be liquidated on demand.

D. Property and Equipment

Property and equipment of ACMHS are recorded at cost when purchased. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in income. The cost of normal maintenance and repairs is charged to expense when incurred. Property with a cost of \$1,000 or more with a useful life of five years or more is capitalized. Provision for depreciation is computed by the straight-line method over the estimated useful lives of the assets ranging from five to ten years.

E. Net Assets

The net assets of ACMHS are reported in groups as follows:

Unrestricted Net Assets include unrestricted resources which represent the portion of expendable funds that are available for the operating objectives of ACMHS. Also included are donor-restricted contributions whose restrictions are met in the same accounting period as receipt.

Temporarily Restricted Net Assets include resources restricted by donors or other sources for specific purposes and whose restrictions have not been met are reported as temporarily restricted net assets.

Permanently Restricted Net Assets include donated resources with stipulations that they be used for a specific purpose, be preserved, and not be sold; or be invested to provide a permanent source of income are reported as permanently restricted net assets.

F. Revenue, Gains and Other Support

Contributions are reflected in the accounts of ACMHS when their receipt is reasonably assured. Unless specified by the donor for use in future periods, the contributions are recorded as current public support. Contributions specified by donors for use in future periods are considered temporarily restricted public support and are reflected on the statement of financial position as “temporarily restricted net assets.” All contributions are considered to be available for unrestricted use unless specifically restricted by donor.

G. Income Taxes

ACMHS is exempt from federal and state income taxes under Section 501 (c) 3 in the Internal Revenue Code and under the California Franchise Tax Board Section 23701(d) and, therefore, has made no provisions for federal or state income taxes.

H. Donated Materials and Services

Donated materials and equipment, if of significant magnitude, are reflected as contributions in the accompanying statements at estimated fair market values at date of receipt.

I. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

J. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – CONCENTRATION OF CREDIT RISK

ACMHS maintains its cash balances at various banks that are insured by Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. The balances at these banks, at times throughout the year, may exceed the FDIC insured limit. At June 30, 2008, ACMHS had total uninsured bank balances of \$1,678,423.

NOTE 4 - GRANTS RECEIVABLE

At June 30, 2008, the grants receivable balances are as follows:

Grants and Contracts	
Alameda County Behavioral Health Care - Short/Doyle	\$ 175,869
Alameda County Behavioral Health Care - EPSDT	132,865
Alameda County Behavioral Health Care - AYAP	12,502
Alameda County Behavioral Health Care - Calworks Screener	374
Alameda County Behavioral Health Care - Calworks MHS	44,683
Alameda County Behavioral Health Care - ACCESS Outreach	20,060
Alameda County Behavioral Health Care - ACCESS Crisis Response	71,047
Alameda County Behavioral Health Care - EPSDT 0-5	1,805
Alameda County Behavioral Health Care - Level III	31,037
Contra Costa County - Mental Health	15,355
Contra Costa County - Samworks	9,163
Dept of Health & Human Services - RACE	43,975
Dept of Health & Human Services - SAMHSA	53,518
Dept of Health & Human Services - CEY	107,424
City of Oakland - AYPAL	61,937
City of Oakland - Head Start	22,637
City of Oakland - Safestart	17,712
Office of Emergency Services - Caring Asian Family Alliance (CAFA)	107,658
Regional Center of the East Bay - Case Management	88,333
Regional Center of the East Bay - CISA	27,224
Regional Center of the East Bay - Adult Developmental Day Program	43,042
Parental Stress Service, Inc. - Safepassages	5,842
Others	11,268
Total	<u>\$ 1,105,330</u>

Asian Community Mental Health Services
Notes to Financial Statements (Continued)
June 30, 2008

NOTE 5 - PROPERTY AND EQUIPMENT

At June 30, 2008, property and equipment consisted of the following:

Furniture & equipment	\$ 552,605
Leasehold improvements	202,368
Total Property and Equipment	<u>754,973</u>
Less: Accumulated depreciation	(387,893)
Net Property and Equipment	<u>\$ 367,080</u>

NOTE 6 - ACCRUED LIABILITIES

At June 30, 2008, Accrued liabilities consisted of the following:

Accrued payroll	\$ 135,994
Accrued retirement plan contributions	76,935
Payroll taxes payable	52,424
Fringe benefits withholdings	19,256
Accrued vacation	209,596
Accrued expenses	15,706
Total Accrued Liabilities	<u>\$ 509,911</u>

NOTE 7 - REFUNDABLE ADVANCE

At June 30, 2008, Refundable Advance consisted of the following:

Alameda County - Short-Doyle	\$ 469,454
Alameda County - EPSDT	371,960
Alameda County - Bret Harte	25,500
Regional Center of the East Bay (RCEB)	88,026
Alameda County - Other	10,000
Family Support Services Program	39,607
Events and Programs	80,608
Other - ACMHS as fiscal agent	78,464
Total Refundable Advance Payments	<u>\$ 1,163,619</u>

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2008, Temporarily restricted net assets consisted of the following:

AYPAL Program	\$ 21,445
Grousbeck Family Foundation	50,000
SF Foundation Foundation	15,000
Akonadi Foundation	30,000
Crescent Porter Hale Foundation	10,000
Total Temp Restricted Net Assets	<u>\$ 126,445</u>

NOTE 9 - GRANTS AND CONTRACTS

At June 30, 2008, grants and contracts consisted of the following:

Alameda County Behavioral Health Care - Short/Doyle General Fund	\$ 1,827,148
Alameda County Behavioral Health Care - Level III	147,763
Alameda County Medical Center - AYAP	54,594
Alameda County Behavioral Health Care - Screeners	86,129
Alameda County Behavioral Health Care - Calworks MHS	208,726
Alameda County Medical Center - ACCESS Outreach	97,060
Alameda County Medical Center - ACCESS Crisis Response	556,593
Alameda County Behavioral Health - ECC First 5	80,000
Alameda County Behavioral Health - EPSDT 0-5	238,761
Alameda County Behavioral Health Care - EPSDT School-based	338,266
Dept of Health & Human Services - RACE	107,850
Dept of Health & Human Services - CEY	301,610
Dept of Health & Human Services - SAMHSA	94,673
Contra Costa County - Samworks	84,000
Contra Costa County - Mental Health	141,885
Contra Costa County - Stand!	14,000
Contra Costa County - Medical Specialty	1,997
City of Oakland - AYPAL	200,000
City of Oakland - Head Start	40,000
City of Oakland - Safestart	38,000
Office of Emergency Services - Caring Asian Family Alliance (CAFA)	188,273
Regional Center of the East Bay - Adult Developmental Day Program	268,439
Regional Center of the East Bay - Case Management	1,042,562
Regional Center of the East Bay - CISA	126,573
Parental Stress, Inc. - Safepassages	33,332
Evelyn & Walter Haas, Jr. Foundation - AYPAL	35,000
FOSS Foundation - AYPAL	5,700
Akonadi Foundation - AYPAL	25,000
Grousbek Family Foundation - AYPAL	50,000
AYPAL - Other	11,370
Surdna Foundation	75,000
MAA	124,374
Other	14,027
Total	<u>\$ 6,658,705</u>

Asian Community Mental Health Services
Notes to Financial Statements (Continued)
June 30, 2008

NOTE 10 - NET ASSETS RELEASED FROM TEMPORARILY RESTRICTIONS

Net assets released from restrictions at June 30, 2008 consisted of the following:

Grousbeck Family Foundation	\$	50,000
Surdna Foundation		75,000
Akonadi Foundation		25,000
June & Julian Foss Foundation		5,700
Total Temporarily Restricted Net Assets Released	\$	<u>155,700</u>

NOTE 11 - INDIRECT COSTS

At June 30, 2008, indirect costs consisted of the following:

Salaries	\$	465,029
Fringe benefits		95,394
Consultants & professional services		15,388
Rent and utilities		266,255
Insurance		36,746
Communications		33,259
Equipment lease		27,654
Equipment maintenance		27,654
Office supplies & expense		31,727
Staff recruiting		8,179
Transportation		815
Education, conference & dues		6,656
Program activities		9,368
Other		3,258
Total	\$	<u>1,027,382</u>

NOTE 12 - OPERATING LEASES

ACMHS leases office spaces at various locations under lease agreements that are primarily on a month-to-month basis.

ACMHS entered into multiple five-year non-cancelable leases for various office equipment that will expire in 2009, 2010, 2011, 2012 and 2013. Renewal is automatic unless notification is given 30 days prior to the expiration date. These leases require monthly payments of \$731, \$325, \$273, \$178 and \$167. The estimated future minimum rental payments for the non-cancelable operating leases as of June 30, 2008 were as follows:

Years Ending June 30,	Real Estate	Equipment
2009	\$ 266,757	\$ 13,902
2010	266,757	10,489
2011	266,757	8,052
2012	266,757	7,182
2013	266,757	1,301

NOTE 13 – CONTINGENCIES

ACMHS has participated in several grant/contract programs assisted by various government agencies. Those programs are subject to financial and compliance audits by the grantors or their representatives. The purpose of which is to ensure compliance with conditions and restrictions of the grant agreements. In the opinion of management, any liability for reimbursement which may arise as the result of these audits will not be material.

NOTE 14 – EMPLOYEE DISCRETIONARY RETIREMENT PLAN

ACMHS provides employees plan benefits for covered employees under a discretionary retirement plan. Contributions for the fiscal year amounted to \$76,935. In accordance with plan document, forfeitures will be used to reduce future contributions.

NOTE 15 – FEDERAL FINANCIAL ASSISTANCE BASIS OF ACCOUNTING

The accompanying Schedule of Federal Financial Assistance has been prepared on the accrual basis of accounting. The resources and related expenses are classified for accounting and reporting purposes into funds established according to their nature and purpose. Under the accrual basis, revenue is recorded when realized and expenses are recorded when incurred, without regard to the time of cash receipt of payment. The focus of the accrual basis of accounting is on the matching of revenue realized with costs incurred.

NOTE 16 – DEFERRED REVENUE – CHFFA & ACCESS

During the year of 2006-07, ACMHS has received \$250,000 Capital Funding from Alameda County and \$100,000 from Measure A CBO for the capital improvement project, including new office equipments & furniture, new computers, and new phone systems. The cost of the purchase and improvement has been capitalized as required, and depreciated over the assigned life cycle. Accordingly, a matching amount of the award revenue has been deferred. The revenue will be recognized by the same amount of depreciation in the future years. Revenue recognized during the year ended June 30, 2008 was \$68,907. Deferred revenue as of June 30, 2008 was \$241,176.

ACMHS has also been awarded \$63,000 as one time expense only for adding the new ACCESS program in the unit of Clinic. The cost includes purchase of office equipments and computers, new lease improvement, etc. Cost of new equipments and improvements has been capitalized and depreciated over 5 or 10 years. The matching amount of award revenue has also been deferred and will be recognized in the next 5 or 10 years. Revenue recognized during the year ended June 30, 2008 was \$8,165. Deferred revenue as of June 30, 2008 was \$36,648.

**Asian Community Mental Health Services
Schedule of Federal Financial Assistance
For the Year Ended June 30, 2008**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal Catalogue Numbers</u>	<u>Grantor or Pass Through Numbers</u>	<u>Grant Periods</u>	<u>Program Or Award Amounts</u>	<u>Total Program Revenue</u>	<u>Program Federal Expenditures</u>
DEPARTMENT OF HEALTH & HUMAN SERVICES:						
Dept of Health & Human Services - RACE	93.276	C H9SP11289A	09/07 - 09/08	\$ 100,000	\$ 107,850	\$ 107,850
Dept of Health & Human Services - CEY	93.009	G 90IC010102	09/07 - 09/08	406,930	301,610	301,610
Dept of Health & Human Services - SAMHSA	93.243	H 9T117821A	09/07 - 09/08 09/08 - 09/10	100,000 200,000	94,673	94,673
Alameda County Behavioral Health Care		900053	07/07 - 06/08	3,152,847	3,261,685	3,261,685
Alameda County Behavioral Health Care Alcohol and Drug (AYAP)	93.959	900053	07/07 - 06/08	102,022	54,594	21,405
Total Department of Health & Human Service				\$ 4,061,799	\$ 3,820,412	\$ 3,787,223
State of California - Office of Emergency Services	16.575	AT07048530	10/07 - 9/08	\$ 200,000	\$ 188,273	\$ 180,923
City of Oakland - Head Start	93.600	H-37310	09/06 - 08/07	\$ 45,000	\$ 44,342	\$ 44,342
	93.600	H-37310	09/07 - 09/08	40,000	40,000	40,000
Total City of Oakland - Head Start				\$ 85,000	\$ 84,342	\$ 84,342
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 4,346,799	\$ 4,093,027	\$ 4,052,488

The accompanying notes to financial statements are an integral part of this statement.

Asian Community Mental Health Services
Statement of Expenditures for County of Alameda Grants
Year Ended June 30, 2008

	Mental Health	Level III Adults	Calworks LD Screeners	Calworks MHS	ACCESS	Children Mental Health	Level III Children	EPSDT 0-5	EPSDT School-based	ECC First 5	AYAP
Contract Numbers:	C93-0705	C93-0705	C93-0705	C-93-0705	C-93-0705	C93-0705	C93-0705	C2004-21	C2004-21	CGI2007-09-017	C-93-0705
Exhibit Numbers:	HE-05-077	HE-05-077	HE-05-077	HE-05-077	HE-05-077	HE-05-077	HE-05-077				HE-04-257
Contract Periods:	7/1/07-6/30/08	7/1/07-6/30/08	7/1/07-6/30/08	7/1/07-6/30/08	7/1/07-6/30/08	7/1/07-6/30/08	7/1/07-6/30/08	7/1/07-6/30/08	7/1/07-6/30/08	7/1/07-6/30/09	7/1/07-6/30/08
Contract Amounts:	\$1,664,756	\$185,689	\$85,755	\$254,346	\$714,292	\$231,512	\$16,497	\$234,808	\$331,192	\$160,000	\$102,022
Expenses:											
Salaries	\$ 1,017,446	\$ 51,960	\$ 54,900	\$ 155,350	\$ 447,503	\$ 355,657	\$ 13,155	\$ 158,307	\$ 224,047	\$ 49,405	\$ 33,190
Fringe benefits	282,789	14,515	15,323	42,735	117,763	99,002	3,598	43,690	63,107	13,670	9,111
Consultants	10,572	35,265				5,460			1,820		
Intern stipends		10,000						800			
Rent & utilities	82,046	4,280	2,300	3,255	21,240	23,094	390	5,330	11,800	2,100	5,040
Insurance	7,833	395	535	905	1,567	5,655	482	2,285	2,920	650	450
Communications	1,479		1,040	60	1,478			311	815	360	205
Equipment leases	4,577		510	650		1,600	80	1,065		335	225
Equipment maintenance											
Postage				5,399	2,298	1,007		366	500	512	1,104
Office expense & supplies											
Clinical Expense & supplies	6,909										
Medications & lab											
Transportation	4,697	97	3,562	1,974	71	1,270	116	4,211	1,270	1,198	163
Education/conferences/dues	5,256					773	150	314	218		25
Program supplies/activities	37,261	348	288	4,935	2,794	3,290		818	1,645	4,497	118
Depreciation					8,165						
Administrative overhead	142,824	11,425	7,671	21,046	58,938	48,569	1,757	21,264	30,124	7,273	4,963
Total expenses	1,603,689	128,285	86,129	236,309	661,817	545,377	19,728	238,761	338,266	80,000	54,594
Amount reimbursed by:											
County	\$ 1,579,899	\$ 128,035	\$ 86,129	\$ 208,726	\$ 653,653	\$ 585,515	\$ 19,728	\$ 238,761	\$ 338,266	\$ 80,000	\$ 54,594
Other sources	23,790	250			8,164						
Revenue excess/(deficit)	\$ -	\$ -	\$ -	\$ (27,583)	\$ -	\$ 40,138	\$ -	\$ -	\$ -	\$ -	\$ -

Asian Community Mental Health Services
Statement of Grant Revenue and Expenditures
State of California - Office of Emergency Services
For Year End June 30, 2008

Grant period: October 2007 - September 2008

	Actual
Caring Asian Family Alliance (CAFA)	12 Months
<u>Grant No: AT05028530</u>	<u>7/07 - 6/08</u>
Revenue:	<u>\$ 188,273</u>
Expenditures:	
Personnel	161,994
Operating	18,929
Less: Matching	
Total expenditures	<u>\$ 180,923</u>
Excess of revenues over expenditures	<u><u>\$ 7,350</u></u>

The accompanying notes are an integral part of this statement.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND OTHER MATTERS ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

The Board of Directors
ASIAN COMMUNITY MENTAL HEALTH SERVICES
Oakland, CA 94607

I have audited the financial statements of ACMHS as of and for the year ended June 30, 2008 and have issued my report thereon dated December 17, 2008. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACMHS's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing my audit, I considered ACMHS's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited might occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operations that I consider being material weaknesses.

This report is intended for the information of the board of directors, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Carathimas & Associates
CARATHIMAS & ASSOCIATES

Certified Public Accountant
December 17, 2008

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND OTHER MATTERS
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

The Board of Directors
ASIAN COMMUNITY MENTAL HEALTH SERVICES
Oakland, CA 94607

Compliance

I have audited the compliance of ACMHS with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. ACMHS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of ACMHS's management. My responsibility is to express an opinion on ACMHS's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ACMHS's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of ACMHS's compliance with those requirements.

In my opinion, ACMHS complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of my auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control over Compliance and other matters

The management of ACMHS is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered ACMHS's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider being material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Carathimas & Associates
CARATHIMAS & ASSOCIATES
Certified Public Accountant
December 17, 2008

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Twelve months ended June 30, 2008

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report on the financial statements expresses an unqualified opinion on the financial statements of ACMHS.
2. No reportable conditions were noted during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of ACMHS were disclosed during the audit.
4. No reportable conditions in internal controls over the major federal award program were disclosed during the audit.
5. The auditors' report on compliance for the major federal award program for ACMHS expresses an unqualified opinion.
6. The audit did not disclose any audit findings which were required to be reported under OMB A-133.
7. The program tested as a major program was Alameda County Behavioral Health Care.
8. The threshold for distinguishing types A and B programs was \$500,000.
9. ACMHS was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT.

None

Carathimas & Associates
CARATHIMAS & ASSOCIATES
Certified Public Accountant
December 17, 2008

**ASIAN COMMUNITY MENTAL HEALTH SERVICES
FINDINGS AND RECOMMENDATIONS**

My audit for the year ended June 30, 2008 disclosed no findings.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings or recommendations.

Carathimas & Associates
CARATHIMAS & ASSOCIATES
Certified Public Accountant
December 17, 2008